

**ONE HUNDRED THIRD LEGISLATURE - SECOND SESSION - 2014**  
**COMMITTEE STATEMENT**  
**LB906**

---

**Hearing Date:** Monday February 03, 2014  
**Committee On:** Appropriations  
**Introducer:** Speaker Adams  
**One Liner:** Transfer funds and create and eliminate funds

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**

<b>Aye:</b>	8	Senators Bolz, Conrad, Harms, Larson, Mello, Nelson, Nordquist, Wightman
<b>Nay:</b>	1	Senator Kintner
<b>Absent:</b>		
<b>Present Not Voting:</b>		

---

**Proponents:**

Gerry Oligmueller

**Representing:**

Introducer - Governor's Office

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

---

**Summary of purpose and/or changes:**

LB 906, introduced by the Speaker at the request of the Governor, is a part of the Governor's mid-biennial budget recommendations.

The bill includes the following items:

The State Treasurer is directed to transfer \$6,800,000 from the Health and Human Services Cash Fund, specifically the False Medicaid Claims Act sub-fund, to the General Fund on or before July 15, 2014, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

1. The Republican River Compact Litigation Contingency Cash Fund is created and is to be used by the State Treasurer to make payments in an amount up to \$5,500,000 in accordance with any order of the U.S. Supreme Court pursuant to *Kansas v. Nebraska*, No. 126 Original.

2. The State Treasurer is directed to transfer up to \$5,500,000 from the Cash Reserve Fund to the Republican River Compact Litigation Contingency Cash Fund on or before June 30, 2015, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

3. The bill outright repeals the obsolete Water Contingency Cash Fund and related sections and amends sections 2-3225 and 2-3226.05 to harmonize them with the repeal.

This legislative bill contains the emergency clause.

Detailed information regarding the Governor's budget recommendations can be found in the document entitled "Mid-Biennium Budget Adjustments, 2013-2015 Biennium" dated January 15, 2014, and may be viewed on the Administrative Services State Budget Division website at <http://www.budget.ne.gov>.

---

**Explanation of amendments:**

AM2475 is the Committee amendment to LB906. It makes several changes to the introduced copy of the bill.

AM2175 does the following:

Section 1 directs the Treasurer to transfer six million, eight hundred thousand dollars from the Health and Human Services Cash Fund to the General Fund on or before July 15, 2014.

Section 2 creates the Vehicle Title Registration System Replacement and Maintenance Cash Fund for the Department of Motor Vehicles. It will be used to pay for costs associated with the vehicle titling and registration system.

Section 3 directs the Treasurer to transfer twelve million, five hundred thousand dollars from the Department of Motor Vehicles Cash Fund to the newly created Vehicle Title Registration System Replacement and Maintenance Cash Fund on July 1, 2014, or as soon as administratively possible after that date.

Section 4 creates the Game and Parks State Park Improvement and Maintenance Fund. It will be used to build, repair, renovate, rehabilitate, restore, modify, or improve any infrastructure in the state park system.

Section 5 requires the Treasurer, at the direction of the DAS Budget Administrator to transfer fifteen million dollars from the General Fund to the Game and Parks State Park Improvement and Maintenance Fund on or before July 31, 2014.

Section 6 requires the Treasurer, at the direction of the DAS Budget Administrator to transfer two million five hundred thousand dollars from the State Recreation Road Fund to the Game and Parks State Park Improvement and Maintenance Fund on or before July 31, 2014.

Section 7 creates the Water Sustainability Fund for the Department of Natural Resources. The fund will be used in accordance with LB 1098 and for costs directly related to the administration of the fund. We also have included intent language that twenty-one million dollars will be transferred from the General Fund to the Water Sustainability Fund in fiscal year 2014-15 and an additional eleven million dollars will be transferred each fiscal year beginning in fiscal year 2015-16.

Section 8 directs the Treasurer to make the \$21 million transfer to the Water Sustainability Fund no later than July 15, 2014.

Section 9 amends section 2-1588 to prohibit money in the Nebraska Resources Development Fund from being reallocated for utilization by the Department of Natural Resources, by any state office, agency, board, or commission, or by any political subdivision after the effective date of this Act.

Section 10 prohibits applications being made to receive funds by grant or loan from the Nebraska Resource Development Fund after the effective date of this Act.

Section 13 requires the Treasurer to transfer one hundred nine thousand three hundred eighty three (\$109,383) on July 1, 2014 from the Supreme Court Education Fund to the Nebraska Retirement Fund for Judges as an offset to the increase in the state's contribution to the Nebraska Judges Retirement System.

Section 14 makes a transfer of six hundred thousand dollars on July 1, 2014 from the Supreme Court Automation Cash Fund to the Nebraska Retirement Fund for Judges as an offset to the increase in the state's contribution to the Nebraska Judges Retirement System.

Section 15 allows for transfers from the State Recreation Road Fund to the Game and Parks State Park Improvement and Maintenance Fund through July 31, 2014. This language is required to allow for the transfer made in section 6.

Section 16 directs the Treasurer to transfer an amount certified as needed to effectuate the settlement from the State Unemployment Insurance Trust Fund to the Employment Security Special Contingent Fund. The amount transferred shall not exceed two million seven hundred seventy-three thousand dollars.

Section 18 increases the annual transfer from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund from fifty-nine million one hundred thousand dollars to sixty million one hundred thousand dollars beginning July 15, 2014.

Section 19 caps the Department of Economic Development from approving a job training grant which exceeds an average expenditure of ten thousand dollars per job if the proposed wage levels exceed thirty thousand dollars per year, but do not exceed fifty thousand dollars per year. In addition, DED is prohibited from approving such grants which exceed an average expenditure of twenty thousand dollars per job if the proposed wage levels exceed fifty thousand dollars per year or if the jobs created are located in a high-poverty areas as defined in section 81-1203.

Section 20 provides for an electronically submitted status report from the Department of Economic Development regarding job training grants to the Appropriations Committee on July 1, each year.

Section 21 allows the Commission of Indian Affairs Cash Fund to received money from contracts and fees received by the state.

---

Heath Mello, Chairperson